

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2828 - SB 2799

February 17, 2010

SUMMARY OF BILL: Prohibits the Department of Environment and Conservation from issuing any permit for the disposal of coal combustion wastes prior to the effective date of any amendment to the current solid waste management regulations necessary to conform the existing rules to any new requirements likely to be imposed by the U.S. Environmental Protection Agency. Prohibits the Commissioner of the Department from granting variances, waivers, and exemptions to facility permits that receive coal combustion waste. Prohibits the issuance of permits to certain facilities disposing of coal combustion waste. Establishes additional requirements in connection with the permitting of coal combustion waste disposal sites, including the requirement for the Department to perform a special impact study when permit applications are submitted. Requires that the permit for the disposal of coal combustion waste describe and regulate the means of transport, allowable routes, and containment of waste during transport.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$282,600/FY10-11/Environmental Protection Fund (EPF)

\$84,400/FY10-11/General Fund

\$277,100/FY11-12 thru FY14-15/EPF

\$82,700/FY11-12 thru FY14-15/General Fund

\$123,100/FY15-16 and Subsequent Years/EPF

\$36,700/ FY15-16 and Subsequent Years/General Fund

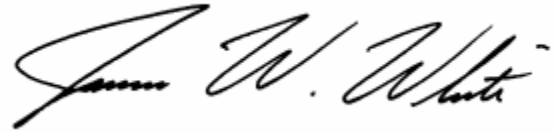
Assumptions:

- The Department of Environment and Conservation (TDEC) expects the Tennessee Valley Authority to submit permit applications for each of its eight coal burning facilities. It is estimated that two private entities will submit applications as well for a total of ten permit applications.
- According to TDEC, the work for the studies related to permit applications will likely be contracted out. Recent bids for similar work were around \$100,000 per report for a total estimated impact of \$1,000,000 in increased state expenditures.
- The total expense is estimated to be amortized over a five-year period; the increase to state expenditures is estimated to be \$200,000 per year from FY10-11 through FY14-15.

- According to TDEC, two additional Environmental Specialists will be needed to review and enforce transportation plans. The increase in recurring state expenditures from one position is \$79,900 (\$37,100 salary, \$12,600 benefits, \$30,200 operational) resulting in a total recurring increase in expenditures of \$159,800. One-time costs associated with the creation of two positions are \$7,200 (equipment and supplies).
- According to TDEC, the baseline ratio for the Division of Solid Waste Management is 23 percent state appropriations and 77 percent Environmental Protection Fund. The precise ratio cannot be reasonably determined and is subject to variation each year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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